

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 IO-14 ACDA-19 ISO-00 CU-05 CIAE-00 PM-07

H-03 INR-11 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01

SP-03 SS-20 USIA-15 COME-00 EB-12 LAB-06 SIL-01 SAJ-01

MC-02 TRSE-00 DRC-01 /173 W
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R 031733Z OCT 74

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4470

INFO SECDEF

USMISSION NATO BRUSSELS

AMEMBASSY BONN

USNMR SHAPE

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY BRUSSELS

USDEL MBFR VIENNA

AMEMBASSY SINGAPORE

AMCONSUL HONG KONG

USDEL SALT TWO GENEVA

USMISSION GENEVA

AMCONSUL EDINBURGH

AMCONSUL LIVERPOOL

AMCONSUL BELFAST

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GENEVA FOR CSCE

E.O. 11652: GDS

TAGS: PINT, MPOL, UK

SUBJECT: UK ELECTION ISSUES: DEFENSE REVIEW

SUMMARY: DEFENSE POLICY BECAME AN ISSUE IN CURRENT CAM-
PAIGN WHEN CONSERVATIVE PARTY TOOK OFFENSIVE AGAINST
"COVER UP" OF DECISIONS THAT COULD RESULT IN CLOSURE OF
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DEFENSE FACILITIES IN MARGINAL CONSTITUENCIES. CONSER-

VATIVE NEWSPAPERS CARRIED SPECTACULAR STORIES ON ACTUAL UNITS TO BE CUT. THIS CAUSED LABOR PARTY TO REACT AT HIGHEST LEVEL WITH FOUR MINISTERS EMPHASIZING THAT NO DECISIONS YET TAKEN ON DEFENSE. DESPITE PRESENT FLURRY, EMBASSY DOES NOT BELIEVE DEFENSE ISSUE WILL HAVE SIGNIFICANT IMPACT ON ELECTION. END SUMMARY.

1. FOREIGN POLICY ISSUES - ASIDE FROM THE QUESTION OF UK MEMBERSHIP IN THE EUROPEAN COMMUNITY - PLAYED A SMALL ROLE IN PARTY CAMPAIGN ACTIVITIES UP TO OCTOBER 2. THERE HAD BEEN SOME MENTION OF THE UK DEFENSE REVIEW AND ITS LIKELY IMPACT ON EMPLOYMENT IN MARGINAL CONSTITUENCIES PRIOR TO THAT TIME BUT THIS ASPECT OF THE CONSERVATIVE/ LABOR DEBATE RECEIVED LITTLE ATTENTION IN THE MEDIA.

2. THE SEMI-SILENCE WAS BROKEN BY THE CONSERVATIVE SPOKESMAN ON DEFENSE, PETER WALKER, WHEN HE ISSUED A STATEMENT ON OCTOBER 2 IN THE DAILY PARTY PRESS CONFERENCE NOTING THAT THE LAST LABOR PARTY CONFERENCE HAD PASSED A MOTION CALLING FOR REDUCTIONS OF ONE BILLION POUNDS STERLING PER YEAR AND THAT DEFENSE SECRETARY MASON HAD ANNOUNCED THAT A THOROUGH REVIEW OF DEFENSE SPENDING WAS PROCEEDING. WALKER SUGGESTED THAT REVIEW MUST HAVE BEEN COMPLETED BY JUNE AND THAT GOVERNMENT MUST NOW KNOW NATURE OF "DECISIONS THEY WILL MAKE." WALKER WENT ON TO SAY THAT NO ANNOUNCEMENT HAS BEEN MADE BECAUSE MANY JOBS WILL BE LOST IN DOCKYARDS, AIRCRAFT MANUFACTURING, ETC.

3. TWO CONSERVATIVE NEWSPAPERS, DAILY TELEGRAPH AND DAILY EXPRESS, CONTINUED THE OFFENSIVE ON THIS SUBJECT WITH FRONT PAGE STORIES OCTOBER 3 ON POSSIBLE DEFENSE CUTS. NONE OF THE OTHER NATIONAL NEWSPAPERS GAVE ANY PROMINENCE TO THE STORY. SOME CARRIED BRIEF COVERAGE OF WALKER STATEMENT AND THE LONDON TIMES CARRIED A SHORT RESUME OF THE EXPRESS STORY. EXPRESS HAD MOST SPECTACULAR STORY (BY WELL-INFORMED BUT NOT ALWAYS RESPONSIBLE CHAPMAN PINCHER) SUGGESTING THAT EVEN MOST MODEST COST-CUTTING OPTION (250 MILLION POUNDS PER YEAR) COULD RESULT IN DISBANDING 7,600-MAN ROYAL MARINES, ARMY'S PARACHUTE

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BRIGADE (3,000 MEN) AND ALL AMPHIBIOUS FORCE SHIPS (HELICOPTER CARRIERS AND ASSAULT SHIPS) IN ADDITION TO CUTTING ALL UK FORCES OUTSIDE NATO EXCEPT FOR SMALL FORCE TO BE LEFT IN HONG KONG. HE ALSO SUGGESTS THAT AIR TRANSPORT WOULD BE SEVERELY CUT BACK (ALL 22 BRITANNIAS AND SOME VC10 TO BE CUT). THIS OPTION WOULD ALSO ENVISAGE SCRAPPING ARK ROYAL IN 1976 AND CLOSURE PORTSMOUTH DOCKYARD. OPTION 2 WOULD ENTAIL CUTTING 500 MILLION

POUNDS PER YEAR AND WOULD CANCEL THROUGH-DECK CRUISER
AND ADVANCED HARRIER (AND WOULD CAUSE LOSS OF EXPORT
ORDERS FOR THOSE ITEMS). OPTION 3 REDUCTIONS OF ONE
BILLION POUNDS "WOULD BE TANTAMOUNT TO DISMANTLING THE
NATION'S DEFENSES." IRONICALLY, SAYS PINCHER, POLARIS
FORCE WOULD CONTINUE UNDER ANY OPTION.

4. TELEGRAPH'S STORY IS LESS DETAILED AND MAKES IT MORE
CLEAR THAT FINAL DECISIONS HAVE NOT YET BEEN TAKEN.
TELEGRAPH DOES SAY THAT " . . . LABOR'S PLANS WILL NOT
ONLY LEAVE BRITAIN WITH INADEQUATE DEFENSES BUT WILL,
IN THE LONG-RUN INCREASE THE RELATIVE COST OF DEFENSE,
UNDERMINE OUR INDUSTRIES, CREATE UNEMPLOYMENT AND ADVERSE-

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LY AFFECT THE BALANCE OF PAYMENTS." THE TELEGRAPH ALSO EMPHASIZED THAT ANY CUT WILL REDUCE UK CONTRIBUTION TO NATO.

5. THE LABOR PARTY WAS NOT SLOW IN RESPONDING TO THE CONSERVATIVE ATTACK. IN RESPONSE TO WALKER, PRIME MINISTER WILSON SAID ON OCTOBER 2 IN HIS PRESS CONFERENCE THAT
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UK WILL BE MORE NATO ORIENTED AFTER THE RESULTS OF THE REVIEW ARE ANNOUNCED. HE ACKNOWLEDGED THAT TOTAL NATO FORCES MAY BE REDUCED PARTLY AS A RESULT OF MBFR. ON OCTOBER 3, DEFENSE SECRETARY MASON, NAVY MINISTER JUDD AND MINISTER OF STATE FOR FOREIGN AFFAIRS HATTERSLEY ALL SAID THAT EXPRESS AND TELEGRAPH STORIES WERE PURE CONJECTURE AND THAT NO DECISIONS HAD BEEN TAKEN. MASON STRESSED THAT ALLIES WILL HAVE TO BE CONSULTED. JUDD, WHOSE CONSTITUENCY IS PORTSMOUTH, SAID THAT ALL DOCKYARDS WILL BE KEPT OPEN REGARDLESS OF OUTCOME OF REVIEW.

6. COMMENT: UP TO THIS POINT IN THE ELECTION CAMPAIGN, MOST ANALYSTS HAD BELIEVED THAT THERE WERE FEW VOTES TO BE WON ON DEFENSE OR FOREIGN POLICY ISSUES OUTSIDE THE EUROPEAN COMMUNITY. IT SEEMS CLEAR THAT THE CONSERVATIVES HAVE DECIDED TO TRY TO MAKE DEFENSE (OR AT LEAST THE DOMESTIC EMPLOYMENT IMPLICATIONS OF SPENDING CUTS) AN ISSUE. WE BELIEVE THAT DESPITE THE PRESENT FLURRY OF PUBLIC STATEMENTS AND NEWS REPORTS, DEFENSE WILL NOT BE A MAJOR ISSUE IN THE ELECTION, EXCEPT POSSIBLY IN CONSTITUENCIES WITH DEFENSE FACILITIES AND AMONG SERVICEMEN WHERE THE TORIES MAY WIN SOME VOTES. THE EMPLOYMENT FACTOR MAY REQUIRE THE LABOR PARTY TO MAKE COMMITMENTS TO KEEP OPEN DEFENSE FACILITIES THAT WILL HAVE THE LONG-TERM RESULT OF MAKING ACTUAL CUTS SOMEWHAT SMALLER THAN THEY MIGHT HAVE BEEN. ON SUBSTANCE OF PINCHER STORY WE GUESS THAT ALL OF ITEMS HE MENTIONS ARE UNDER CONSIDERATION FOR CUTS. ABOLITION OF ENTIRE AMPHIBIOUS FORCE AND SHARP CUTS IN AIRLIFT CAPACITY SEEM DRASTIC BUT FIT IN WITH POLICY OF CONCENTRATION OF FORCES ON HOME ISLAND'S DEFENSE AND BAOR WHICH OUR SOURCES HAVE INDICATED IS MOST LIKELY OUTCOME OF DEFENSE REVIEW.

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